

## **GOVERNMENT OF ANDHRA PRADESH ABSTRACT**

Industrial Promotion – Extension of certain incentives under Industrial Investment Promotion Policy (IIPP) 2010-15 to M/s Isuzu Motors India Pvt. Limited, to set-up a facility to produce various Motor Vehicles (1) Light Commercial Vehicles such as Pick-up Trucks (2) Utility Vehicles such as Sports Utility Vehicles and Multi-Purpose Vehicles at Sricity, Chittoor District – Orders- Issued.

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### **INDUSTRIES & COMMERCE (IP) DEPARTMENT**

**G.O.Ms.No. 116**

**Dated:18-10-2013  
Read the following:-**

1. From M/s Isuzu Motors India Pvt. Limited, Letter No. dated.
2. GoAP signed a Memorandum of Understanding on 15.03.2013 with M/s Isuzu Motors India Pvt. Limited.
3. State Investment Promotion Board Meeting held on 26.04.2013

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#### **O R D E R:-**

In the reference 2<sup>nd</sup> cited, Government of Andhra Pradesh signed a Memorandum of Understanding with M/s Isuzu Motors India Pvt. Limited on 15.03.2013 for their proposed facility to manufacture various Motor Vehicles (1) Light Commercial Vehicles such as Pick-up Trucks (2) Utility Vehicles such as Sports Utility Vehicles and Multi-Purpose Vehicles at Sricity, Satyavedu Mandal, Chittoor District with an investment of Rs. 1500 Crore.

2. In the reference 3<sup>rd</sup> cited, State Investment Promotion Board(SIPB) has reviewed the facts of the case and re-iterated the strategic importance of the automobile industry to the state and appreciated the fact that large Japanese Auto Major has finally decided to set-up their manufacturing facility in state. The SIPB reviewed and approved the incentives provided to M/s Isuzu Motors India Pvt. Limited as agreed in the Memorandum of Understanding dt:15.03.2013, as following:

- a. 100% Net VAT & CST incentive for 30 years or 135% cap of cumulative investment up to the date on which 7 years have elapsed from the date execution of this Memorandum of Understanding or date of obtaining clearances to start construction.
- b. TAX rate for Input VAT shall be 5% (five percent) for a period of 30 (Thirty) years from the date of commencement of commercial production.
- c. On and after 31<sup>st</sup> December 2014, the Government of Andhra Pradesh shall (a) ensure that the project proponent shall have a full time (Twenty Four (24) hours per day, seven days per week and three hundred and sixty five days per year) stable power supply and (b) exempt the Project site from statutory power cuts and load shedding.
- d. In addition, the other incentives as mentioned in the Memorandum of Understanding dated 15.03.2013 are approved.
- e. The commissioner of Commercial Taxes requested to ensure the items in Schedule 6 like Diesel and Petrol would not be part of the VAT reduction to 5%.

3. Government after careful examination of the recommendations of the State Investment Promotion Board, hereby extend the following incentives to M/s Isuzu Motors India Pvt. Limited, for their proposed facility at Sricity, Chittoor District with an investment of Rs.1500 Crore, **under Industrial Investment Promotion Policy 2010-2015.**

- a. 100% Net VAT & CST incentive for a period of 30 years or 135% cap of cumulative investment, upto the date on which 7 years have elapsed from the date execution of the Memorandum of Understanding date of obtaining clearances to start construction whichever is earlier. This includes VAT on works Contract Tax for a period of 5 years. The **Commercial Tax Department to provide the quarterly Tax payment details of the company in Form A to the Industries Department for making necessary recommendations**
- b. The input Tax on materials consumed shall be 5% (five percent) for a period of 30 (Thirty) years from the date of commencement of commercial production excluding the items in Schedule 6 like Diesel and Petrol. The Commercial Tax department will issue necessary orders in the matter.
- c. Government will ensure continuous power supply through 132 KV dedicated power feeder line to the project site at the **cost of the company and ensure that the project site is exempted from statutory power cuts and load shedding subject to availability and regulations of APERC, from date of commencement of commercial production.**
- d. In addition to the above, the other incentives as mentioned in the Memorandum of Understanding dated 15.03.2013.
  1. Reimbursement of 100% Stamp Duty, Transfer Duty and Mortgage Duty
  2. Reimbursement of Power Cost @0.75 per unit for a period of 5 years from date of commencement of production.
  3. Reimbursement of Training Cost at Rs.10,000 per person for 2000 persons for a period of 5 years from DCP under RYK.
  4. The Government of Andhra Pradesh shall make capital investment to provide external infrastructure outside the Sri City land including, but not limited to roads and water supply, general and social infrastructure as per **Industrial Investment Promotion Policy 2010-15.**
  5. The Government of Andhra Pradesh hereby agrees that the building coverage ratio of the project site, which is 107.20 acres in total area shall be a maximum of sixty percent (60%).
  6. Allow flexibility of permitting lady workers in three shifts
  7. To facilitate all clearances / licenses through Single Window System by appointing Nodal Officers including Ground Water permission.

(P.T.O)

8. The incentives granted under IIPP 2010-15 shall be preserved / continued to be effective if there is any changes in the Tax Policies
9. Government of Andhra Pradesh agrees to use its best efforts to grant such potential suppliers incentives adequate to effectively attract them into the state in accordance with existing policy

4 The Industry shall ultimately provide at least 80% of employment to the candidates belonging to Andhra Pradesh State for becoming eligible to the above incentives.

5. The Commissioner of Industries, Hyderabad shall take necessary action, accordingly and intimate the status of the progress of work done by the unit from time to time to the Government.

**(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)**

**K.PRADEEP CHANDRA,  
PRINCIPAL SECRETARY TO GOVERNMENT AND  
COMMISSIONER FOR INDUSTRIAL PROMOTION**

To

The Commissioner of Industries, A.P., Hyderabad.  
M/s Isuzu Motors India Pvt. Limited, through the Commissioner of Industries, AP, Hyderabad.

**Copy to:**

The Revenue (CT) Department.  
The Revenue (Registration) Department.  
The Energy Department.  
The Irrigation (Reforms) Dept.  
The Ind. & Com. (INF) Department.  
The Law (J) Department.  
The Accountant General, Andhra Pradesh, Hyderabad  
The Commissioner of Commercial Taxes, Hyderabad  
The Chairman & Managing Director, APTRANSCO., Hyderabad  
The Managing Director, APSPDC Ltd., Tirupathi  
The Vice Chairman & Managing Director, APIIC, Hyderabad.  
The District Collector, Chittoor  
The General Manager, District Industries Centre, Chittoor  
P.S. to Secretary to Chief Minister  
P.S. to Hon'ble Minister(Major Industries)  
P.S. to Chief Secretary to Government  
P.S. to Principal Secretary to Government & CIP, Industries & Commerce Dept.  
SC/SF.

// FORWARDED :: BY ORDER //

SECTION OFFICER